



Inspection and Enforcement





Program Objective

- To ensure compliance with applicable laws, regulations, Onshore Operating Orders, Notices to Lessees, lease terms, orders of the authorized officer and any permit condition of approval.



Program Goals



- To ensure protection of the surface and subsurface environment.
- To ensure oil and gas production from Federal and Indian lands is properly handled, accurately measured and reported correctly.



Program Goals



- To reduce the Bureau's liability by ensuring that the health and safety of the public is protected
- Conservation of resources with regard to oil and gas activities on Federal and Indian lands.



Results of a healthy I&E program

- Healthy lands for future generations,
- Clean water,
- Respect from the industry,
- Voluntary compliance,
- Public support for the Bureau,
- Fiscal accounting of production





Authority

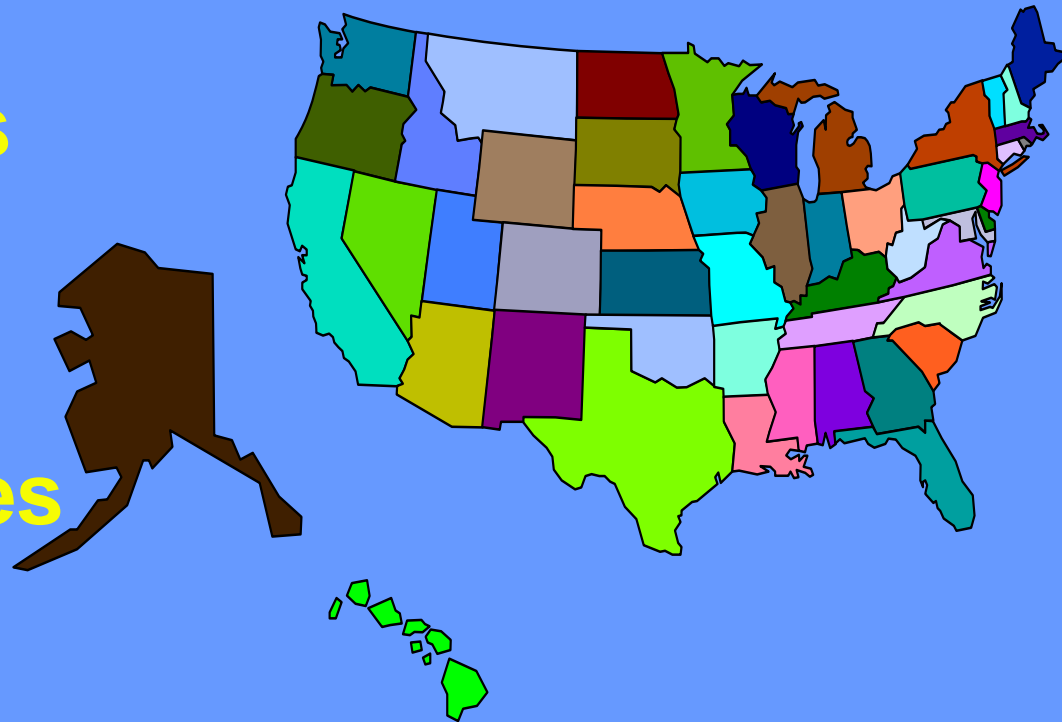


- Mineral Leasing Act of 1920 as amended
- Federal O&G Royalty Management Act of 1982 (FOGRMA)
- Indian Mineral Leasing Act 1938
–allotted leases



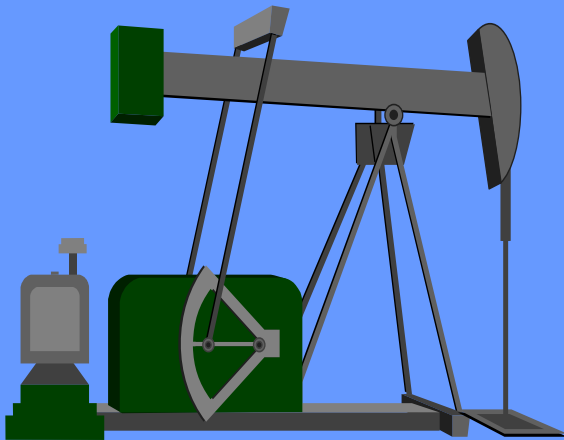
Size of BLM's I&E Program

- 31 Offices
- 157 Inspectors
- 23,612 Cases
- 114,000 Wells
- 56,000 Facilities
- \$700 Million Collected





Inspection Frequency



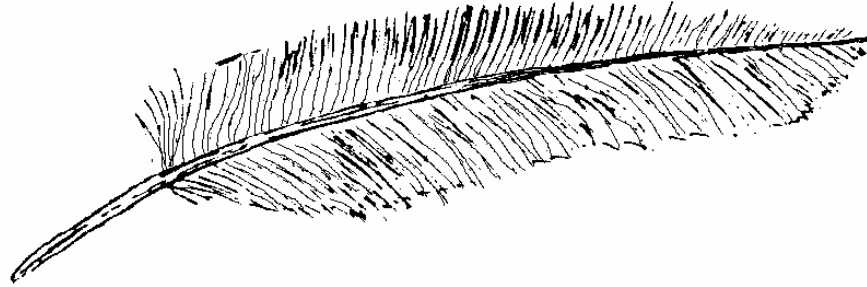
- **Production Cases meeting the high FOGRMA criteria will be inspected annually**
- **All others production Cases - once every three years**



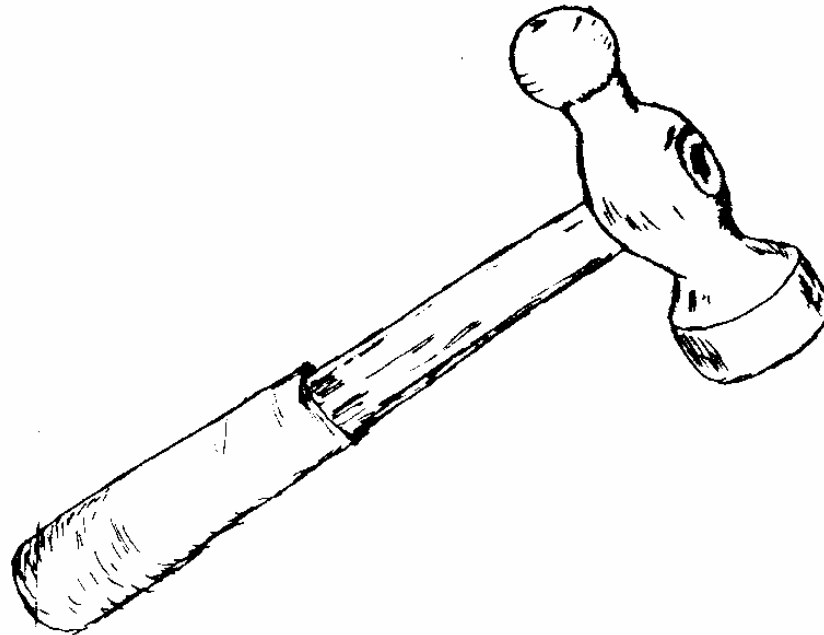
Inspection Frequency

Cases rated high priority to Drilling, Plugging, Environmental, Health and Safety, Legal, and Other will be inspected.





ENFORCEMENT

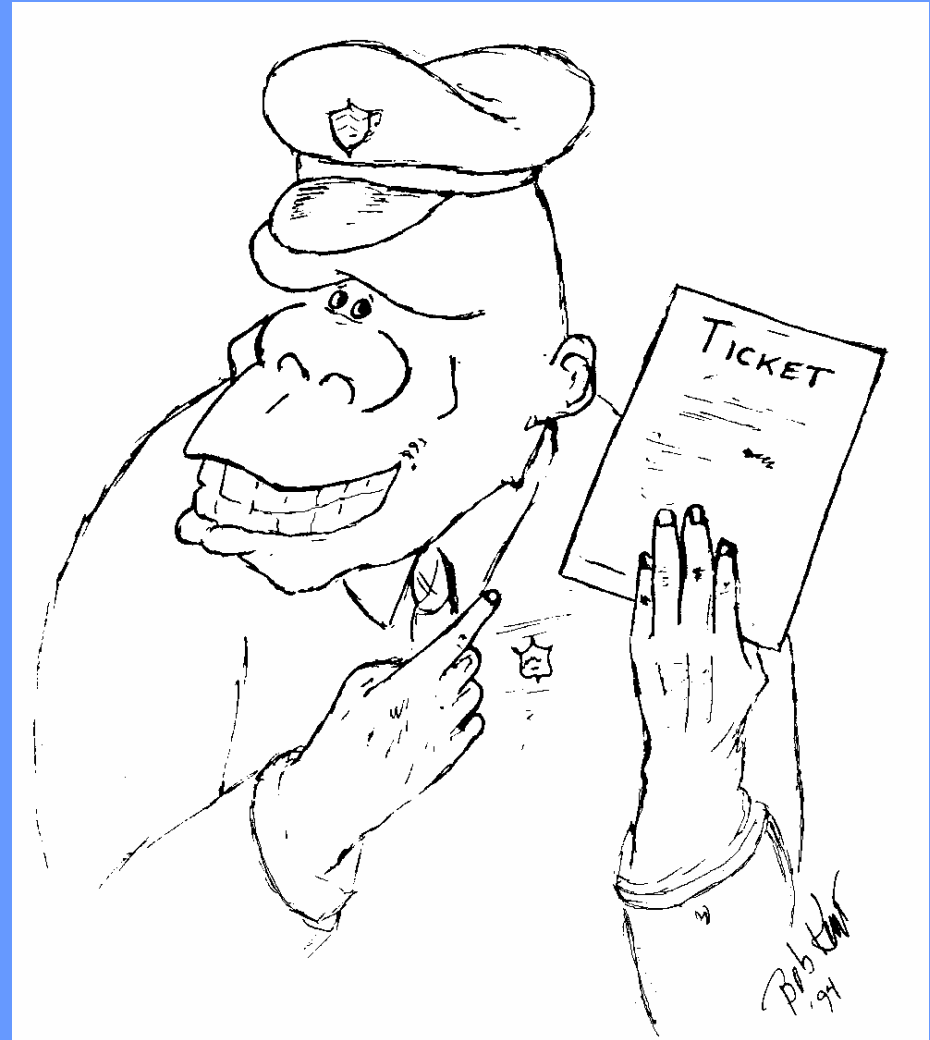




Enforcement Actions



When inspectors identify violations they initiate an enforcement action





Enforcement Actions



- Proactive measures
- Order of the Authorized Officer
- Incident of Noncompliance (INC)
 - Major or Minor
- Oral Warning
- Immediate assessments
- Shut down of operations
- Perform the work ourselves



Enforcement Actions



- Monetary assessments for continued noncompliance
- Civil penalties
- Attaching the bond 43 CFR 3163.2
- Lease cancellation



Proactive Measures



- Attending company safety mtgs.
- One-on-one mtgs. in the field
- Calls to the operator
- Holding operator mtgs.
- Organizing forums



Key Inspection Results



- **Number of inspections**
- **Volume discrepancies**
- **Number of violation**



Number of Inspections Fiscal Year 2003



- 6,485 Production
- 1,691 Drilling
- 997 Plugging
- 5,342 Environmental
- 141 Undesirable Event
- 333 Workover



Volume Discrepancies *Fiscal Year 2003*



- 79,109 Barrels of Oil
- 6.1 Billion Cubic Feet of Gas
- Since FY1991
- 2.8 Million Barrels of Oil
- 113.8 Billion Cubic Feet of Gas



Number of Violation Fiscal Year 2003



- 6,319
- Up 1,536 from FY2002



Future



- Continue current inspection emphasis
 - Field inspection and record reviews
- Add ~ 3,000 wells/year
- Increase resources to meet program goals as budgets allow

The End





National Certification Requirements



- **NCP requirements for Petroleum Engineering Technicians (PET)**
- **Complete and pass all 6 training modules of the 3100-01 Oil and Gas Compliance Certification course**



National Certification Requirements (Cont)



- Receive adequate On-the-Job training.
- Demonstrate the ability to conduct inspections for final certification process



National Certification Requirements (Cont)



- The NCP is designed to ensure and maintain competency and integrity through out the I&E program.
- Recertification and refresher courses every 5 years.



Oil and Gas Certification School



- The new 3100-01 school is well under way for FY-2003-2004
- Five of the six modules are complete and the students are doing great.
- The sixth module will be completed in August, 2004